

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

In Re: NETWORK ENGINES INC.
SECURITIES LITIGATION

CASE NO. 03-12529-JLT

**LEAD PLAINTIFFS' INITIAL DISCLOSURE STATEMENT PURSUANT TO
FEDERAL RULE OF CIVIL PROCEDURE 26(a)(1) AND LOCAL RULE 26.2(A)**

Lead Plaintiffs and Named Plaintiffs, by their counsel, hereby provide the following initial disclosure statement pursuant to Fed. R. Civ. P. 26(a)(1) and Local Rule 26.2(A) (“Lead Plaintiffs’ Initial Disclosure Statement”). Lead Counsel is also simultaneously submitting sworn statements from Lead Plaintiff Blake Kunkel, and Named Plaintiffs Sergio and Ricardo Guerrero (together with the Lead Plaintiffs, “Plaintiffs”), pursuant to Local Rule 26.1(B)(1).

Plaintiffs expressly reserve all objections, including but not limited to, objections based on the: (a) attorney-client privilege; (b) work product protection; or (c) any other applicable privilege or protection under federal or state law. Plaintiffs have not completed their investigation of this case and each of the following responses is made subject to, and without waiver of, the foregoing objections. Plaintiffs, moreover, expressly reserve the right to change, modify, supplement or clarify the responses herein at any time before trial.

I. INDIVIDUALS LIKELY TO HAVE DISCOVERABLE INFORMATION (FED. R. CIV. P. 26(a)(1)(A))

Subject to the above reservations and Plaintiffs' right to change, modify, supplement, or clarify this response, Plaintiffs believe that the following individuals likely possess discoverable information that Plaintiffs may use to support their claims:

A. Lead Plaintiffs and Named Plaintiffs

Lead Plaintiffs Wing Kam Yu, Blake Kunkel, and Thomas Cunningham, and Named Plaintiffs Sergio and Ricardo Guerrero possess information regarding the subject matter of their own investments in Network Engines, Inc. (“Network Engines” or the “Company”) during the Class Period.¹

B. Individual Defendants

Plaintiffs believe that the Individual Defendants John Curtis, Douglas G. Bryant, and Lawrence A. Genovesi possess information relevant to the allegations set forth in the Amended Consolidated Complaint.

C. Other Network Engines Officers, Directors, and Employees

In addition to the Individual Defendants, Lead Plaintiffs believe that other Network Engines officers, directors and employees likely possess discoverable information that may be relevant to the allegations set forth in the Amended Consolidated Complaint, including, without limitation, the present or former officers, directors, or employees listed below and in Defendants’ Initial Disclosures. Lead Plaintiffs believe that these individuals may possess information relevant to the subject-matters listed below and in Defendants’ Initial Disclosures, and possibly other subject-matters, not presently known:

1. Jack Blaser

Board Member

Information concerning the financial performance of Network Engines, and the relationship between Network Engines and EMC prior to and during the Class Period.

2. Jeffrey Brandes

Board Member and Vice President of Business & Corporate Development; former General Manager of Distribution/CEO of TidalWire

Information concerning the financial performance of Network Engines, and the agreements between Network Engines/TidalWire and EMC.

¹ The Class Period is November 6, 2003 through December 10, 2003.

3. **Stephen J. Casey**
CFO of TidalWire
617-696-7030
Information concerning the relationship between Network Engines/TidalWire and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines/TidalWire's products and services.
4. **Eric Cetaruk**
Senior Quality Assurance Engineer
Information concerning customer satisfaction with Network Engines's products and services.
5. **Paul Cevoli**
Software Engineer
508-378-7137
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
6. **Chris Chicoine**
Director of IT
617-957-2843
Information concerning Network Engines's document-retention policies.
7. **Eduardo Cornejo**
Marketing Channels Manager
Information concerning the historical and/or projected demand for Network Engines's products and services.
8. **Paul Criswell**
In-House Attorney
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC, as well as the drafting of the amendment to the Company's Distribution Agreement with EMC.
9. **Bill Crowley**
Vice President of Sales for Network Engines/TidalWire
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines's products and services.
10. **Vincent DiGiacomo**
Vice President of Engineering
Information concerning the historical and/or projected demand for Network Engines's products and services.
11. **Bill Elliott**
Vice President of Marketing
Information concerning the historical and/or projected demand for Network Engines's products and services.

12. **Jeanne Friedman**
Vice President of Marketing
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines's products and services.
13. **Rick Friedman**
Director of Marketing
Information concerning the historical and/or projected demand for Network Engines's products and services.
14. **Joe Gabriel**
Director of Business Line Management
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines's products and services.
15. **Rich Graber**
Board Member and Vice President of Engineering and Operations
Information concerning the financial performance of Network Engines, as well as the relationship between Network Engines and EMC prior to and/or during the Class Period.
16. **Matt Grande**
TidalWire Account Manager
Information concerning the historical and/or projected demand for Network Engines/TidalWire's products and services.
17. **Robert Hamilton**
Emulex Channel Account Manager
Information concerning the historical and/or projected demand for Network Engines's products and services.
18. **Nils Hansen**
Inside Sales Manager
508-455-1472
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC, as well as the historical and/or projected demand for Network Engines's products and services.
19. **Gary Haroian**
Board Member
Information concerning the financial performance of Network Engines, as well as the relationship between Network Engines and EMC prior to and/or during the Class Period.

20. **John Jenness**
Lead Shipper and Receiver
843-706-9970
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines's products and services.
21. **Betty Jenness**
Executive Assistant to Defendants Curtis and Bryant
843-706-9970
Information concerning the dates and times of meetings involving Individual Defendants Curtis and Bryant, as well as the status of the renegotiation of the Company's Distribution Agreement with EMC.
22. **Tom King**
Inside Sales Director
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines's products and services.
23. **Dennis Kirshy**
Board Member
Information concerning the financial performance of Network Engines, as well as the relationship between Network Engines and EMC prior to and/or during the Class Period.
24. **Sushil Kumar**
Manager of Software Development
508-766-4922
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines's products and services.
25. **Marc Magliano**
Director of Channel Marketing
603-216-2115
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines/TidalWire and EMC, as well as the historical and/or projected demand for Network Engines/TidalWire's products and services.
26. **Jim Murray**
Vice President of Sales
Information concerning the historical and/or projected demand for Network Engines's products and services.
27. **J. Donald Oldham**
Board Member and Vice President of OEM Sales
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC; information concerning the drafting the

December 10, 2003 press release announcing an amendment to the Company's Distribution Agreement with EMC; information concerning Network Engines's sales of OEM's (original equipment manufacturers/software manufacturers) and related products and services to EMC.

28. **Frank Polestra**
Board Member
Information concerning the financial performance of Network Engines, as well as the relationship between Network Engines and EMC prior to and/or during the Class Period.
29. **Steve Puchkoff**
Sales Manager: Asia
617-331-8675
Information concerning the historical and/or projected demand for Network Engines's products and services.
30. **Lisa Ramuta**
Trade Show Manager
401-732-3645
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and various customers, as well as the financial performance of the Company.
31. **Michael Riley**
Board Member and Vice President of Marketing and Strategy
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC, as well as the past and/or present relationship between the two companies.
32. **Michael Reynolds**
Regional Sales Manager
770-457-4273
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC, as well as the historical and/or projected demand for Network Engines's products and services.
33. **Fontaine Richardson**
Board Member
Information concerning the financial performance of Network Engines, as well as the relationship between Network Engines and EMC prior to and/or during the Class Period.
34. **Derk Rogers**
Salesperson: Northeast
Information concerning the historical and/or projected demand for Network Engines's products and services.

35. **Jack Salerno**
Vice President of Business Development
508-435-1000
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines's products and services.
36. **Norm St. Onge**
Business Line Director
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period, as well as the historical and/or projected demand for Network Engines's products and services.
37. **Rene Thibault**
Vice President of Sales
Information concerning the historical and/or projected demand for Network Engines's products and services.
38. **Joyce Traister**
Director of Channel Marketing for TidalWire
617-285-9840
Information concerning the past and/or present relationship between Network Engines/TidalWire and EMC.
39. **Sherri Valone**
Business Line Manager
Information concerning the past and/or present relationship between Network Engines/TidalWire and EMC, as well as the historical and/or projected demand for Network Engines's products and services.
40. **Roberts M. Wadsworth**
Board Member
Information concerning the financial performance of Network Engines, as well as the relationship between Network Engines and EMC prior to and/or during the Class Period.
41. **Chris Ward**
Territory Manager
781-910-5917
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC, as well as the historical and/or projected demand for Network Engines's products and services.

D. Officers, Directors, and Employees of Other Companies

Plaintiffs further believe that officers, directors and employees of certain other companies that did business with Network Engines during the Class Period likely possess discoverable

information, including, without limitation, the individuals listed below and in Defendants' Initial Disclosures. Plaintiffs believe that these individuals may possess information relevant to the subject-matters listed below and in Defendants' Initial Disclosures, and possibly other subject-matters, not presently known:

1. **Rich Conrad**
Director of Strategic Accounts at QLogic
978-454-5533
Information concerning the pricing for EMC products.
2. **David Craig**
EMC
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC.
3. **Michael J. Cronin**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
4. **Gail Deegan**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
5. **David DeRing**
Owner of Info X Distribution
Information concerning the pricing for EMC products.
6. **David DeSimone**
Needham and Company Associate in Investment Banking
617-233-4556
Information concerning Network Engines's acquisition of TidalWire.
7. **Thomas J. Dougherty**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
8. **John R. Egan**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.

9. **W. Paul Fitzgerald**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
10. **Fred Gill**
Vice President of Worldwide Sales at Emulex
508-435-1000
Information concerning the pricing for EMC products.
11. **Tom Judge**
Director of Sales at JNI
Information concerning the pricing for EMC products.
12. **Darrel Miller**
Employee at Techmar Communications
Information concerning the historical and/or projected demand for Network Engines's products and services.
13. **Rodger Newcomb**
Sales Employee at EMC
508-435-1000
Information concerning the pricing for EMC products.
14. **Brad Painter**
Director of Sales at JNI
Information concerning the pricing for EMC products.
15. **Olli Pekka Kallasvuo**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
16. **Windle B. Priem**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
17. **Art Prutsalis**
Host Bust Adapter Channel Manager at EMC
508-435-1000
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC, as well as the past and/or present relationship between the two companies.
18. **Michael C. Ruettgers**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.

19. **David Strohm**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
20. **Joseph M. Tucci**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
21. **Alfred Windhol**
EMC
Information concerning the negotiation and/or renegotiation of the agreements between Network Engines and EMC.
22. **Alfred M. Zeien**
Board Member at EMC
Information concerning the relationship between Network Engines and EMC prior to and/or during the Class Period.
23. **David Zimmer**
Distribution Channel Manager at QLogic
949-389-6447
Information concerning the pricing for EMC products.

E. Securities Analysts

Lead Plaintiffs believe securities analysts following the Company likely possess discoverable information relevant to the Company's public statements during the Class Period, including, without limitation:

1. **Omar Almadanni**
Soundview
2. **Troy Jensen**
ThinkEquity

II. DESCRIPTION BY CATEGORY OF DOCUMENTS, DATA COMPILATIONS, AND TANGIBLE THINGS THAT ARE IN THE POSSESSION, CUSTODY, OR CONTROL OF THE PARTY (FED. R. CIV. P. 26(a)(1)(B))

Subject to the attorney-client privilege and work-product doctrine, Plaintiffs state as follows: securities analysts reports; Network Engines's press releases, conference calls, and filings with the Securities and Exchange Commission ("SEC"); news articles concerning the

Company that were published before, during, and after the Class Period; and documents evidencing Plaintiffs' transactions in Network Engines securities during the Class Period.

III. COMPUTATION OF DAMAGES (FED. R. CIV. P. 26(A)(1)(C))

The Court only recently sustained the Amended Consolidated Complaint, and the parties have yet to commence formal discovery. Plaintiffs have nevertheless undertaken a preliminary analysis of damages that indicates the securities fraud damages resulting from Defendants' alleged misrepresentations and omissions during the Class Period could well exceed twenty-two million dollars. Pursuant to the scheduling order submitted by the parties, Plaintiffs intend to serve Defendants with an expert report setting forth all damages sought in this action, as well as the documents and any other evidentiary material in support of that report.

IV. ANY INSURANCE AGREEMENT THAT MAY BE LIABLE TO SATISFY PART OR ALL OF A JUDGMENT (FED. R. CIV. P. 26(a)(1)(C))

The information sought by this subsection of Rule 26 is not applicable to Plaintiffs.

DATED: June 30, 2005

Respectfully submitted,

MOULTON & GANS, P.C.

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Lead Counsel for Plaintiffs

CERTIFICATE OF SERVICE

I, Nancy Freeman Gans, hereby certify that a true copy of the above document was served upon each party by mailing a copy of same, postage prepaid, or hand-delivering same, to all counsel of record.

/s/ Nancy Freeman Gans
Nancy Freeman Gans